

§619.8

32 CFR Ch. V (7-1-00 Edition)

handled by these modes and the area normally serviced, the bond amount is set at \$100,000.

(e) All carriers must submit a letter of intent to file a bond from a surety company with initial application. Upon HQMTMC approval, carriers will provide HQMTMC with a Performance Bond. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The sum of the bond shall be as determined by §619.7 (a) through (c). The bond must be continuous until cancelled. HQMTMC will be notified, in writing, 30 days in advance of any change or cancellation. The Performance Bond secures performance and fulfillment of carrier obligations to deliver DOD freight. It will cover any instance where a carrier cannot or will not deliver DOD freight tendered to them to final destination. This includes default, abandoned shipments, and bankruptcy by the carrier. The bond will not be utilized for operational problems such as late pickup or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo.

[58 FR 44405, Aug. 20, 1993, as amended at 61 FR 49061, Sept. 18, 1996]

§619.8 Basic Agreement.

Motor carriers, surface freight forwarders, shipper agents and air freight forwarders meeting the qualification requirements of §§619.1 through 619.7 will be required to sign the appropriate Basic Agreement in the appendices to this part.

[61 FR 49061, Sept. 18, 1996]

APPENDIX A TO PART 619—BASIC AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIERS FOR APPROVAL TO TRANSPORT GENERAL COMMODITIES FOR THE DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of

_____,
(Name of Company, Typed or Legibly Printed),

hereinafter called the carrier, as a prerequisite for approval to transport general

commodities for the account of the Department of Defense (DOD) and the Military Traffic Management Command (MTMC), (hereinafter called the Government), agree to comply with all additional requirements, terms and conditions as set forth in this Agreement. This Agreement governs the transportation of all DOD general commodity freight administered by the Directorate of Inland Traffic, MTMC (except used household goods). Noncompliance by the carrier with any provision of this Agreement may result in MTMC taking action against the carrier under the Carrier Performance Program, governed by MTMC Regulation 15-I, and revoking approval to participate in this traffic. If the carrier's approval is revoked, the carrier may be disqualified from further participation in any DOD freight Traffic.

2. Approval and Revocation.

a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The carrier understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The carrier further understands that it is not authorized to submit tenders for shipments requiring a Transportation Protective Service (TPS) until it has served DOD in an approved status for 12 continuous months. Prior to being allowed to handle shipments which require a TPS or classes A & B explosives, the carrier must first meet any additional requirements in effect at the time.

c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Carrier agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations governing the safe, proper, and lawful operation of motor vehicles, to include Title 49 Code of Federal Regulations (CFR) 386-397. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.